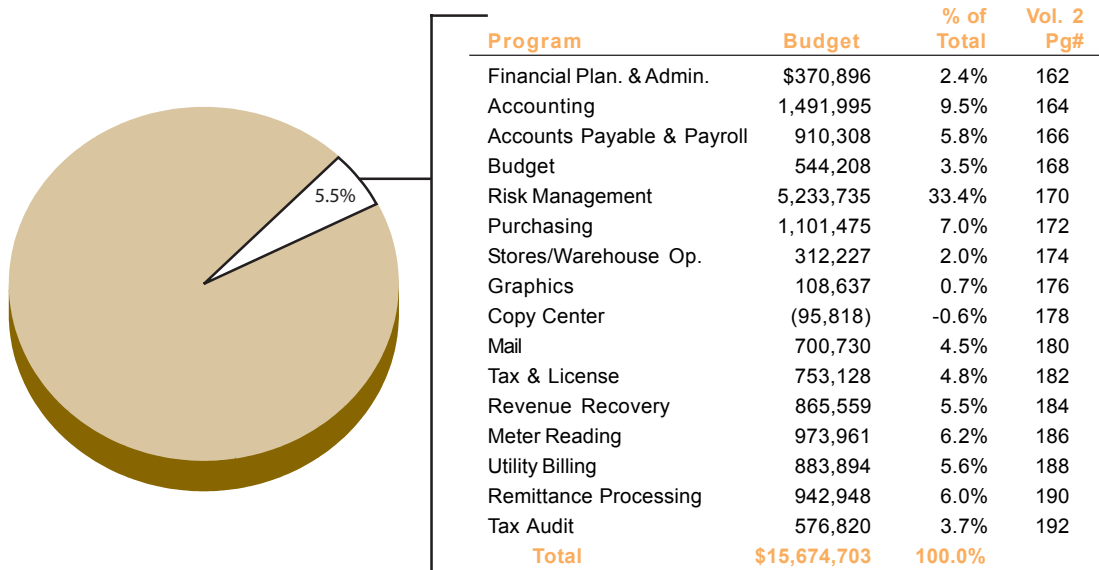


The pie chart presented on this page provides two overviews of the Financial Services Department's adopted FY 2004/05 program budget operating expenditures (i.e., excludes grants & trusts, debt service and transfers out):

1. The Financial Services Department's adopted FY 2004/05 program operating budget as a percentage of the citywide total adopted program operating budget, and
2. All of the Financial Services Department's operating programs and their applicable expenditures and percent of the department's total program operating budget.

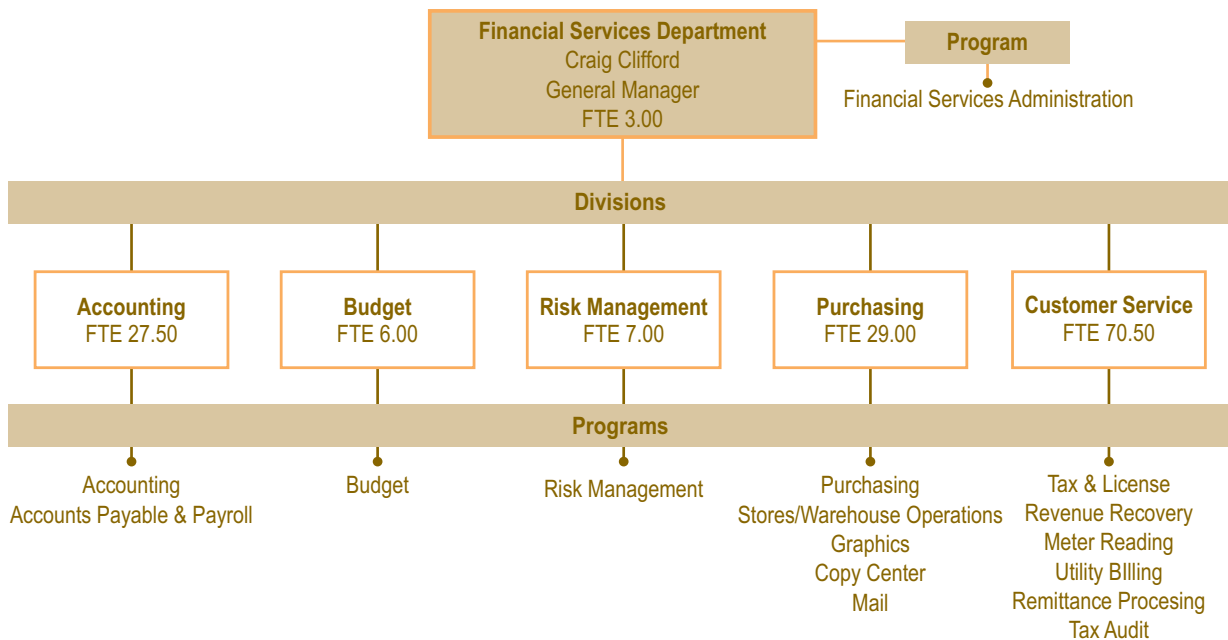
The Financial Services Department Represents 5.5% of the City's Total Program Operating Budget



Financial Services Department

Mission

Provide personalized quality service and innovative solutions - each of us continually striving to understand our customer's individual needs and expectations while working together to develop and maintain systems and strategies to ensure that our quality commitment is timeless.



Departmental Staffing

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Full-time Equivalent (FTE)	144.50	140.50	140.50	143.00
% of City's FTE's				6.5%

Departmental Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$7,877,482	\$8,335,665	\$8,313,609	\$8,591,374
Contractual Services	7,425,940	7,458,990	7,511,338	7,318,166*
Commodities	(101,233)	(282,164)	(271,618)	(234,837)
Capital Outlays	41	-	-	-
Total Program Budget	\$15,202,230	\$15,512,491	\$15,553,329	\$15,674,703
% of City's Total Program Operating Budget				5.5%

*The contractual services for this department's FY 2004/05 budget does not reflect \$11.5 million budgeted for group health and dental claims and administration in the Self Insured Benefits-Internal Service Fund as shown in the Five-Year Financial Plan on page 55 of the Budget Summary, Volume 1.

FINANCIAL PLANNING AND ADMINISTRATION

Financial Services Department

Program Description

The Financial Planning and Administration program coordinates the Financial Services Department's operations, facilitates Citywide financial planning, manages the City's short-term and long-term debt, coordinates the financing of City projects, and provides City management with current information concerning economic conditions and the potential fiscal impact to Scottsdale.

Trends

Beginning to see slow improvement in the local economy, although the construction sector is forecast to be less of a factor than during the 90's.

Market rates remain historically low providing an opportunity to move forward on some debt refundings as well as providing a favorable market for new bond issuances to fund the City's capital plan.

Program Broad Goals

Maintain and enhance strategic financial plan elements and ensure the continued financial stability for the City of Scottsdale.

Develop financial policies, prepare strategic forecasts and assist others in developing long-term financial models to prudently manage assets and identify the City's capacity to fund future service and capital needs.

Seek optimum financing structure to mitigate debt service costs, while reinforcing our solid standing with credit rating agencies and maintain or improve Scottsdale's excellent bond ratings.

Diversify and enhance revenue sources, mitigate expenses and debt service costs, evaluate cash flow, and issue bonds when necessary to fund the City's capital program.

Program 2004/05 Objectives

Manage expenditures very tightly, as the economy recovers and our revenue picture improves.

Continue the open position review process, with a focus on budget reductions by finding cost savings and operational efficiencies.

Carefully evaluate cashflow needs to manage General Fund contributions to capital projects, streamline our operations, and look to stabilize our retail privilege tax base.

Program Provided in Partnership With

Mayor & City Council, City Management, City Staff

Program Customers

Mayor & City Council, City Management, City employees, Scottsdale citizens

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$508,941	\$356,456	\$356,456	\$370,896
Total Program Revenues	\$508,941	\$356,456	\$356,456	\$370,896

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$466,382	\$311,544	\$311,544	\$325,547
Contractual Services	36,967	38,732	38,732	38,669
Commodities	5,592	6,180	6,180	6,680
Total Program Budget	\$508,941	\$356,456	\$356,456	\$370,896

FINANCIAL PLANNING AND ADMINISTRATION

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of total cash actively invested	99.9%	99.9%	99.9%	99.9%
Weighted average yield on investments	4.04%	2.50%	2.75%	3.0%

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Maintain or improve General Obligation Bond rating which contributes to lower cost of debt	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA
% of fees and charges examined annually to ensure they recover all direct and indirect costs of service. (Enterprise, non-enterprise, and development impact fees)	100%	100%	100%	100%

Program Staffing

1 Full-time	General Manager	1.00
1 Full-time	Administrative Secretary	1.00
1 Full-time	Finance Manager	1.00
Total Program FTE		3.00

Prior Year Highlights

Refunded two bonds: \$22.9 million of Preserve bonds and \$18.9 million of water/sewer bonds, resulting in a present value savings of \$1.5 million. In addition, \$36.3 million of bonds were defeased with a present value savings of \$1.4 million. These refundings and defeasances will have a positive impact on the City's property tax rate over the next 12 years.

Sold \$188.4 million of new bonds with the proceeds to be used for Preserve land acquisitions, water/sewer projects, and other miscellaneous capital projects.

Requested credit rating reviews and received affirmation of our AAA GO rating and an upgrade to AA+ for the water/sewer rating. These high ratings were achieved even though Fitch rating agency had sited that credit trends in the U.S. municipal market had been declining with rating downgrades exceeding upgrades and more municipalities having a negative rating outlook.

Program Description

The Accounting program maintains the City's financial systems and fiscal controls over: Special Assessments, Cash and Investments, Fixed Assets, and Grants. In addition, the program provides in-house training, guidance and support to City staff related to financial controls, systems, laws and policies & procedures. The program is also responsible for the coordination of the financial statement audit and preparation of the City's annual financial statements, grant compliance, expenditure limitation reports per Arizona Revised Statute and City Code, and the preparation of special and monthly reports.

Trends

Accounting's program budget shows a decrease from prior years due to the reallocation of credit card fees to the Planning and Development Services department. The credit card allocation will help to provide a more accurate reflection of the true cost of doing business with the Planning and Development Services department as well as the Accounting program.

Program Broad Goals

Develop and Maintain Integrated Financial Systems - Develop and administer the various financial operating and internal control systems to ensure data integrity and ease of financial information tracking.

Provide Financial Information to Stakeholders - Prepare and distribute financial information to interested stakeholders, i.e., citizens, media, financial institutions, and City staff on which they can make informed judgments and decisions about City operations and finances.

Be a Financial and Administrative Consultant to Departments - Provide training, advice, tools and support to departmental customers and City Council to increase their financial knowledge and confidence with their administrative responsibilities.

Program 2004/05 Objectives

Maintain the City's accounting and financial reporting systems in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Maintain financial systems internal controls to monitor expenditures and program performance on an ongoing basis.

Produce financial reports and make available on the City's intranet site no later than 5 working days after the last business day of the month.

Program Provided in Partnership With

Accounts Payable & Payroll, Budget

Program Customers

City Council, City employees, Scottsdale citizens, investors, news media, creditors, Budget program

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software, COGNOS impromptu report writer, Cashier for Windows (cashiering software), D-Fast (Special Assessments Software), Internet Banking, Intranet, Desktop Publishing Software, Printing

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$2,175,573	\$1,507,517	\$1,573,343	\$1,491,995
Total Program Revenues	\$2,175,573	\$1,507,517	\$1,573,343	\$1,491,995

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$1,425,230	\$806,823	\$800,289	\$849,549
Contractual Services	736,582	688,334	760,694	630,026
Commodities	13,762	12,360	12,360	12,420
Total Program Budget	\$2,175,573	\$1,507,517	\$1,573,343	\$1,491,995

ACCOUNTING

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of monthly closes within 5 working days of month-end	100%	100%	100%	100%
# of journal entry/budget transfers processed annually	5,736	5,239	5,364	5,487

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Annual audit and single audit opinions from external auditors are unqualified with an opinion date of September 15th or prior.	9/14/01	9/13/02	9/14/03	9/10/04
Comprehensive Annual Financial Report in conformance with GAAP and meets GFOA financial reporting excellence benchmarks	Yes	Yes	Yes	Yes

Program Staffing

4 Full-time	Accounting Coord.	4.00
1 Full-time	Accounting Director	1.00
2 Part-time	Accounting Tech	1.00
1 Full-time	Administrative Secretary	1.00
1 Full-time	Enterprise Finance Mgr.	1.00
2 Full-time	Sr. Accounting Clerk	2.00
3 Full-time	System Integrator	3.00
Total Program FTE		13.00

Prior Year Highlights

Expanded the cashiering system implemented in the spring of 2002 to include the WestWorld and the Papago Service Center sites during fiscal year 2003/04.

Worked with Human Resources to design the Financial Resource Management Module for the Supervisory Training series. The course was focused on educating existing and new managers about financial issues, public accountability and the manager's responsibilities for prudent management of public funds.

Program Description

The Accounts Payable and Payroll program develops, implements and maintains payment processes in compliance with all Federal, State, and City regulations.

Trends

Over the past three years the accounts payable area has experienced processing volume increases due to growth and the elimination of nearly one-half of the City's procurement cards in late fiscal year 2001/02. The increase in volume was initially tempered by citywide general fund cost reduction efforts.

As part of the effort to reduce general fund spending, one Accounts Payable position was eliminated through attrition in FY 2002/03. The recovery of the economy as well as the addition of a municipal fire department will result in additional workloads for both the accounts payable and payroll functions during the FY 2004/05. The program will add 1.5 FTE during the FY 2004/05 to ensure that internal controls are properly maintained and that payments continue to be processed in a timely and accurate manner.

Program Broad Goals

Develop and Maintain Integrated Financial Systems - Develop and administer the various financial operating and internal control systems to ensure data integrity and ease of financial information tracking.

Provide Financial Information to Stakeholders - Prepare and distribute financial information to interested stakeholders, i.e., citizens, media, financial institutions, and City staff on which they can make informed judgments and decisions about City operations and finances.

Develop and implement efficient and effective payment processes- Ensure payroll and accounts payable transactions are processed in a timely, efficient and accurate manner.

Program 2004/05 Objectives

Continue to maintain all systems, payroll and accounts payable transactions, and records in conformance with all State and Federal laws, and City administrative regulations.

Complete all payroll processes by 3 p.m. on payroll week and maintain a backlog of accounts payable invoices, which is 3 days, or less.

Upgrade City's timekeeping system (Webtime). Also, complete post implementation tasks for TotalHr/Payroll system (customizations, integrations, enhancements, etc.)

Program Provided in Partnership With

Human Resources, Accounting, Budget, departmental timekeepers, SP3s

Program Customers

City Council, City employees, Scottsdale citizens, vendors, news media

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software, TotalHR (human resources/payroll) financial software, Webtime (timekeeping) software, check sealer

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	-	\$865,114	\$863,464	\$910,308
Total Program Revenues	-	\$865,114	\$863,464	\$910,308

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	-	\$748,673	\$748,673	\$779,436
Contractual Services	-	103,991	103,991	116,728
Commodities	-	12,450	10,800	14,144
Total Program Budget	-	\$865,114	\$863,464	\$910,308

ACCOUNTS PAYABLE & PAYROLL

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of payroll checks and direct deposits processed	62,127	61,566	69,189	60,709
# of accounts payable checks issued	35,636	35,344	34,317	35,500

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of time payroll processed biweekly by 3 p.m. on Thursday	100%	100%	100%	100%
% of time that the backlog of invoices is 3 days or less	100%	100%	100%	100%

Program Staffing

4 Full-time	Accounting Clerk	4.00
2 Part-time	Accounting Clerk	1.00
1 Full-time	Lead Acct Payable Spec.	1.00
1 Full-time	Payables Manager	1.00
4 Full-time	Payroll Spec.	4.00
1 Part-time	Payroll Spec.	0.50
2 Full-time	System Integrator	2.00
1 Full-time	Tech Spec.	1.00
Total Program FTE		14.50

Prior Year Highlights

Worked in partnership with Human Resources through two open enrollment periods in order to enable the benefits program to shift from a calendar year to a fiscal year basis.

Explored options for the next version of a citywide time-keeping system to replace the current system by July 1, 2005.

Program Description

The Budget program is responsible for the preparation and adoption of the City's annual budget per the terms and due dates mandated in the Arizona Revised Statute and City Code. It coordinates the development and the ongoing monitoring of the Citywide operating and capital budgets on behalf of the City Manager. Embodied within this process is assisting City Council with the City's budget public input efforts, preparing and monitoring of the Five-Year Financial Plan for all funds, and assisting the Citizen Bond Review Commission, City Council Budget Subcommittee, citizens, and media with their questions regarding the City's budget.

Trends

The budget was prepared using a slightly better economic forecast than the City has seen in the past three years. The improving conditions do not come close to the robust growth experienced by the City in the mid-1990s. After an extended period of positive economic growth for the City and the nation, the City has prepared a budget that reflects modest economic improvement in the local, state and national economies. However, continuing uncertainty about the suitability of the emerging economic recovery from possible acts of terrorism, slow job growth and unemployment, and the State of Arizona's budget problems do not increase the odds of a rapidly improving local economy. Additionally, the drop in tourism is hurting some of the City's main industries, tourism and hospitality, and inevitably impact the City's privilege tax and transient occupancy tax revenues.

Program Broad Goals

Prepare for each fund a balanced Five-year Financial Plan using conservative revenue and expenditure estimates.

Prepare a balanced operating and capital budget that effectively addresses City Council's Broad Goals, citizen's priorities, and complies with all applicable federal, state and local requirements.

Program 2004/05 Objectives

Continue working collaboratively with the Capital Project Management staff to improve the Capital Improvement Plan (CIP) cash flow requirements analysis and reporting to minimize the likelihood of premature and excessive cash transfers from the General Fund to the CIP.

Continue building and refining the City's program budget information to facilitate a more comprehensive review of the City's operating budget, which contributes to more effective policy discussions and decisions.

Continue to refine the effectiveness and efficiency of the citizen budget input process in conjunction with the City Manager and City Council.

Program Provided in Partnership With

City Manager, Accounting, Risk Management, Capital Project Management, Accounts Payable & Payroll, Human Resources, Fleet

Program Customers

City Council, City Manager, City employees, Citizen Bond Review Commission, City Council Budget Subcommittee, Scottsdale citizens, businesses, media

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, fax machines, copier

Special Equipment

SmartStream financial software, desktop publishing software

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$456,905	\$528,687	\$528,687	\$544,208
Total Program Revenues	\$456,905	\$528,687	\$528,687	\$544,208

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$427,528	\$479,031	\$479,031	\$508,189
Contractual Services	25,816	43,758	43,758	30,154
Commodities	3,562	5,898	5,898	5,865
Total Program Budget	\$456,905	\$528,687	\$528,687	\$544,208

BUDGET

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of monthly Citywide revenue monitoring reports prepared and released to City Council and public by the 20th of the month	100%	100%	100%	100%
Budget meets or exceeds all requirements and GFOA reporting excellence benchmarks	Yes Especially Notable	Yes Especially Notable	Yes	Yes

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of Capital Improvement Plans in compliance with the City's adopted Comprehensive Financial Policies	100%	100%	100%	100%
Produce a balanced General Fund 5-year plan	In Compliance	In Compliance	In Compliance	Non-Compliance

Program Staffing

1 Full-time	Budget Director	1.00
1 Full-time	Multimedia Comm Coord.	1.00
4 Full-time	Senior Budget Analyst	4.00
Total Program FTE		6.00

Prior Year Highlights

Supported a new public input process, the City Council Budget Subcommittee, which significantly increased the number of citizens participating in the City's budget input process and provided citizens with increased access to Council members and senior City staff during the FY 2004/05 budget development.

For the first time received "Especially Notable" recognition from the Government Finance Officers Association (GFOA) for the City's FY 2003/04 budget in 4 categories — performance measures, policy document, financial planning, and operations guide.

RISK MANAGEMENT

Financial Services Department

Program Description

The Risk Management program coordinates the City's safety and risk management function, including the procurement of insurance; investigates and adjusts claims in the areas of property loss, liability, workers' compensation; Occupational Safety and Health Administration (OSHA); and unemployment compensation exposures; and assists in the preparation of fiscal impact statements and negotiation in the area of employee health benefits. This budget is offset by internal service "user rates" charged to other City operating departments.

Trends

The City has experienced a dramatic increase in property-casualty insurance premiums since the September 11, 2001 terrorist attacks. The international insurance markets are moderating somewhat, but premiums will continue at very high levels for the next several years.

Program Broad Goals

Reduce and contain the financial impact of liability and employee accident claims against the City to reduce costs to taxpayers.

Provide employee safety in the workplace through highly visible efforts and programs.

Maintain OSHA Voluntary Protection Program (VPP) Star certification.

Program 2004/05 Objectives

Achieve the most cost effective excess insurance program for the premium funding available.

Maintain financial health of Loss Trust Fund.

Keep total risk expenditures to less than 2% of overall City operating budget.

Program Provided in Partnership With

City Attorney, Human Resources, Purchasing, Contract Administrators, Fleet, Police, Accounting

Program Customers

City employees at all levels, Scottsdale citizens, outside defense attorneys, AZ Industrial Commission, AZ Department of Economic Security, AZ Occupational Safety and Health Administration (OSHA), Loss Trust Fund Advisory Trustees

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software, radio, cell phones, pagers, City vehicle

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Internal Service Fund Charges/Support	\$4,896,941	\$5,236,477	\$5,275,580	\$5,233,735
Total Program Revenues	\$4,896,941	\$5,236,477	\$5,275,580	\$5,233,735

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$477,336	\$487,074	\$487,074	\$502,736
Contractual Services	4,330,551	4,707,163	4,741,576	4,688,499*
Commodities	89,013	42,240	46,930	42,500
Capital Outlays	41	-	-	-
Total Program Budget	\$4,896,941	\$5,236,477	\$5,275,580	\$5,233,735

*The contractual services for this program's FY 2004/05 budget does not reflect \$11.5 million budgeted for group health and dental claims and administration in the Self Insured Benefits-Internal Service Fund as shown in the Five-Year Financial Plan on page 55 of the Budget Summary, Volume 1.

RISK MANAGEMENT

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Premiums for excess insurance program	\$978,031	\$1,461,982	\$1,636,002	\$1,636,002

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Maintain Risk Management budget to within 2% of City's operating budget	2.13%	1.73%	1.90%	1.90%
Fund the City's Loss Trust Fund to minimum of 100% of the Actuary's recommended fund balance	111%	111%	105%	105%

Program Staffing

1 Full-time	Administrative Secretary	1.00
1 Full-time	Claims Manager	1.00
1 Full-time	Contract Coord.	1.00
1 Full-time	Risk Mgmt Director	1.00
1 Full-time	Risk Service Manager	1.00
1 Full-time	Support Spec.	1.00
1 Full-time	Wrkrs Compensation Claims Sp	1.00
Total Program FTE		7.00

Prior Year Highlights

Focus of the City's employee safety program was on OSHA compliance audits and improvements in the following areas:

1. Electrical Safety Lockout/Tag out Procedures
2. Confined Space Entry
3. Bloodborne Pathogen Training
4. Hazard Comm. and Material Data Safety Sheets
5. Welding Safety
6. Fall Protection
7. Emergency City Building Evacuations

Program Description

The Purchasing program is responsible for the acquisition and/or facilitation of all materials, services, and construction required by the City and provides assistance to Contract Administrators. It analyzes products for their environmental impact, actively seeks environmentally friendly products, and promotes opportunities for Minority Business Enterprises (MBE) and Women-owned Business Enterprises (WBE).

Trends

All public procurement programs are using more electronic means of buying, bidding, and contracting. Scottsdale Purchasing is studying opportunities for using the State of Arizona Bidder Registration System. A joint system will allow bidders a one stop registration for many public agencies.

Program Broad Goals

Implement flexible procurement processes and secure long-term contracts and advantageous pricing arrangements (procurement cards, on-line ordering, cooperative purchasing, etc.) to continue to reduce processing costs.

Educate City staff so they can make informed judgments and decisions about best value procurement of goods and services.

Create a broad and diverse vendor base for the City by sponsoring trade fairs and other outreach programs for minority and women-owned businesses to heighten the awareness of purchasing opportunities for emerging and disadvantaged businesses.

Program 2004/05 Objectives

Expand the number of contracts that are available for City departments to procure goods on their own.

Increase the opportunities for minority owned businesses and women owned businesses to do business with Scottsdale.

Program Provided in Partnership With

All City departments, business community

Program Customers

Mayor, City Council, City Manager, all City departments, business community

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$1,090,492	\$1,149,249	\$1,108,149	\$1,101,475
Total Program Revenues	\$1,090,492	\$1,149,249	\$1,108,149	\$1,101,475

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$986,195	\$1,054,920	\$1,012,555	\$1,003,510
Contractual Services	82,616	78,349	78,649	81,985
Commodities	21,681	15,980	16,945	15,980
Total Program Budget	\$1,090,492	\$1,149,249	\$1,108,149	\$1,101,475

PURCHASING

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of Purchase Orders	8,531	10,212	12,254	14,705

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of long term contracts in place	245	255	270	295

Program Staffing

1 Full-time	Administrative Secretary	1.00
1 Full-time	Bid & Contract Asst.	1.00
1 Full-time	Bid & Contract Coord.	1.00
4 Full-time	Bid & Contract Spec.	4.00
3 Full-time	Buyer	3.00
1 Full-time	Purchasing Clerk	1.00
1 Full-time	Purchasing Director	1.00
1 Full-time	Purchasing Manager	1.00
1 Full-time	Purchasing Tech	1.00
1 Full-time	Tech Spec.	1.00

Total Program FTE 15.00

Prior Year Highlights

Earned the Achievement of Excellence in Public Procurement for the fifth consecutive year.

Standardized purchasing files to ensure each file contains all necessary documentation.

Changed Purchasing Card provider to American Express and reissued 239 Purchasing Cards.

STORES/WAREHOUSE OPERATIONS

Financial Services Department

Program Description

The Stores and Warehouse Operations program maintains and dispenses inventory items, manages surplus property and acts as a short-term storage facility.

Trends

More staff time is devoted to the proper disposal of environmentally sensitive assets. With just-in-time purchasing, more short-term storage space is needed vs. long-term storage. The Warehouse is being developed as a first line defense against improper packages entering into the Scottsdale work place.

Program Broad Goals

Receive goods at the Warehouse, provide security screening, and distribute to all City departments.

Receive, recycle, store and dispose of surplus property.

Receive and dispose of waste, batteries, ballasts, lamps, toner cartridges, and inkjet cartridges.

Program 2004/05 Objectives

Develop security systems that ensure dangerous items do not enter into the city work place.

Develop better systems to account for the disposition of high-risk materials.

Develop inventory lists, storage locations, delivery routes, and work plans for a new municipal fire station.

Program Provided in Partnership With

All City departments, business community

Program Customers

City departments, business community

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

SmartStream financial software, vehicles, forklifts, cell phone

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$467,394	\$307,017	\$307,017	\$312,227
Total Program Revenues	\$467,394	\$307,017	\$307,017	\$312,227

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$257,504	\$270,278	\$270,278	\$277,238
Contractual Services	34,598	34,589	34,589	33,089
Commodities	175,293	2,150	2,150	1,900
Total Program Budget	\$467,394	\$307,017	\$307,017	\$312,227

STORES/WAREHOUSE OPERATIONS

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of offers to purchase	8	8	8	9

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Dollars saved by the City through the use of surplus property	\$49,154	\$65,000	\$85,000	\$100,000
Dollars returned to the City's General Fund through surplus property sales	\$115,790	\$22,000	\$25,000	\$27,500

Program Staffing

2 Full-time	Lead Stock Clerk	2.00
1 Full-time	Purchasing Oper. Manager	1.00
2 Full-time	Stock Clerk	2.00
Total Program FTE		5.00

Prior Year Highlights

Implemented a new requisition process for Stores Inventory using the LAN and its financial software, SmartStream.

Counted the Consignment Inventory each month and updated SmartStream. This change ensures the Warehouse dollar amount always agrees with the General Ledger balance.

Utilized the Internet for disposal of surplus property.

GRAPHICS

Financial Services Department

Program Description

The Graphics program designs or provides design assistance for printed material and is a resource to print to black and white and up to four-color printed materials for City programs.

Trends

Graphics is experiencing more use of color in the jobs they are required to print. Printing is becoming more specialized and the Graphics team is spending more time consulting with City staff to meet their specialized printing needs.

Program Broad Goals

Provide a professional graphics operation for the City that delivers a high quality, professional, cost efficient product using both City assets and outside graphic vendors.

Program 2004/05 Objectives

Implement web based interface for graphics requisitions and business cards with interface to the General Ledger.

Educate City staff about the different graphics processes and their effect on the finished process.

Program Provided in Partnership With

Outside printing businesses

Program Customers

City departments

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

One color print press, four color print press, color copier, bindery machine, paper shearers, Adobe PageMaker, QuarkXpress, Adobe Photoshop, Apple Macintosh, Adobe Freehand, Adobe Illustrator, folder, drill press, saddle stitcher, negative processor, fiery interface, waste stream recovery system, fork lift

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$138,105	\$103,247	\$106,166	\$108,637
Total Program Revenues	\$138,105	\$103,247	\$106,166	\$108,637

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$234,099	\$221,649	\$221,649	\$226,118
Contractual Services	362,239	324,786	324,814	325,507
Commodities	(458,234)	(443,188)	(440,297)	(442,988)
Total Program Budget	\$138,105	\$103,247	\$106,166	\$108,637

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of Graphics Requisitions	469,852	550,000	600,000	650,000
# of impressions	5.06M	5.5M	6.0M	6.5M

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of Graphics Requisitions completed by due date	90%	90%	90%	90%
% of Graphics Requisitions completed without Graphics error	95%	95%	95%	95%

Program Staffing

1 Full-time	Bid & Contract Spec.	1.00
1 Full-time	Graphics Designer	1.00
1 Full-time	Graphics Tech	1.00
1 Full-time	Sr. Graphics Tech	1.00
Total Program FTE		4.00

Prior Year Highlights

Implemented an on-line graphics-requisitioning program that allows city employees to electronically submit graphics orders. This change reduces turn around time, increases the quality of the finished product, and reduces administrative costs.

COPY CENTER

Financial Services Department

Program Description

The Copy Center is an outsourced operation responsible for producing or purchasing copier services.

Trends

The number of copies printed each year continues to rise. The amount of time available to copy and print the high volume Council packets is decreasing.

Program Broad Goals

Continue to secure copier contracts and advantageous pricing arrangements.

Provide a quick and efficient change over for the Copy Center contractor.

Program 2004/05 Objectives

Copy Council Reports and special commissions, reports, agendas, minutes, and distribute ten days before the next scheduled meeting.

Program Provided in Partnership With

All City departments and copier vendor

Program Customers

Mayor, City Council, City Manager, all City departments

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

High Volume Copier, CLC 5000 color copier, GBC binder

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	(\$1,670)	(\$95,894)	(\$95,894)	(\$95,818)
Total Program Revenues	(\$1,670)	(\$95,894)	(\$95,894)	(\$95,818)

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$1,222	\$7,357	\$7,357	\$7,421
Contractual Services	(14,067)	(118,500)	(118,500)	(118,488)
Commodities	11,175	15,249	15,249	15,249
Total Program Budget	(\$1,670)	(\$95,894)	(\$95,894)	(\$95,818)

COPY CENTER

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of copies made by the contractor	4,070,641	4,383,426	4,500,000	4,750,000
Total # of copies processed by the Copy Center	4.07M	4.65M	5.0M	5.4M

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of copy jobs completed without Copy Center error	95%	95%	95%	95%
% of copy jobs completed by due date	99%	99%	99%	99%

Program Staffing

No specific staff positions or FTE's are assigned to this program.

Prior Year Highlights

Enhanced the Copy Center software and hardware to allow city employees to electronically submit Copy Center orders. This change reduces errors, improves production and copy quality, and reduces the amount of paper required in the startup process.

Program Description

The Mail program provides timely pick-up and delivery of in-house and U.S. mail for the City departments. Other services include sorting and inserting City prepared fliers in utility bill mailings.

Trends

The mail volume continues to increase at about 10% per year. The number of mail stops is also increasing each year as the City adds additional facilities or locations.

Program Broad Goals

- Provide safe mail to all operating departments in a timely manner.
- Continue to secure pre-sort mail services contracts and advantageous pricing arrangements.
- Continue to educate City staff about mail requirements and the most cost effective methods to mail.

Program 2004/05 Objectives

- Receive, open, and deliver mail to all offices within the mail delivery areas.
- Ensure that all mail delivered to city offices is safe.

Program Provided in Partnership With

All City departments, United States Post Office

Program Customers

Mayor, City Council, City Manager, all City departments

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Mail sorter, mail inserter, Paragon postage meter, letter opener, and two vans

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$836,239	\$473,717	\$477,367	\$700,730
Total Program Revenues	\$836,239	\$473,717	\$477,367	\$700,730

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$118,430	\$137,835	\$137,835	\$187,647
Contractual Services	715,045	335,127	335,127	466,603
Commodities	2,764	755	4,405	46,480
Total Program Budget	\$836,239	\$473,717	\$477,367	\$700,730

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Pieces of mail delivered	2,934,600	3,500,000	4,000,000	4,500,000

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of mail processed by staff within one day of receipt	99.8%	97%	97%	97%

Program Staffing

4 Full-time	Mail Service Courier	4.00
1 Part-time	Mail Service Courier	0.50
1 Part-time	Stock Clerk	0.50
Total Program FTE		5.00

Prior Year Highlights

Increased security for mail and packages delivered to City offices due to the recent mail bomb incident. Additional measures include: 1) expanding the size of the Mailroom, 2) adding an additional Mailroom employee, and 3) adding X-ray machines.

Program Description

The Tax and License program ensures that all businesses conducting business in Scottsdale are properly licensed. It administers and collects privilege, transient occupancy and business license taxes, special license fees, alarm user permit, false alarm activation fees, and liquor license fees.

Trends

Tax & License continued to see an increase in the number of business licenses processed due to the state of the local economy. Businesses continued to close leading to the opening of new businesses causing increased customer contacts, maintenance of license accounts, and applications to process.

Program Broad Goals

Collect transaction privilege (sales) tax, mail tax returns, review and correct tax return errors, and generate financial reporting of tax revenue.

License and permit businesses and individuals to comply with City Code, process applications, maintain accounts, renew billing/notification, provide administrative support for the Police Department and other City departments for the regulation of occupations and professions that impact the health, safety and welfare of the City, and generate financial reporting relating to licensing fees and revenue.

Bill false alarm activations based on data provided by the Police Department, maintain accounts, track and report alarm users, and generate financial reporting of revenue generated by alarm activation billing.

Program 2004/05 Objectives

Provide customers with online services to apply for a business license by December 2004.

Explore options for replacement of the licensing, alarm activation billing and transaction sales tax systems by June 2005. Replacement is required because of inefficiencies and higher maintenance due to older, unsupported technology.

Program Provided in Partnership With

Information Systems, Police, Code Enforcement, Tax Audit, Transportation, Revenue Recovery, Accounting, Budget, Solid Waste, Planning & Development Services, Economic Vitality, City Prosecutor Office, City Attorney Office, Remittance Processing, Mailroom

Program Customers

City Businesses and license holders

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Vehicle for inspectors, ID photo/license system, fingerprint equipment, Infolmage, Banner-Licensing & alarm billing system, STARS-Transaction sales tax system, Data warehouse, document replication utility, desktop faxing, Automatic Call Distribution

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$725,148	\$802,941	\$811,521	\$753,128
Total Program Revenues	\$725,148	\$802,941	\$811,521	\$753,128

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$514,543	\$594,690	\$594,690	\$660,803
Contractual Services	204,426	193,081	201,661	81,005
Commodities	6,179	15,170	15,170	11,320
Total Program Budget	\$725,148	\$802,941	\$811,521	\$753,128

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Customer Contacts (at counter & telephones)	97,012	94,440	96,000	96,500
Active licensees and those that have applied but not yet approved or denied	53,964	54,809	55,200	56,000

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of applications/checks without statements processed within 3 work days	68%	87%	85%	85%
% of calls answered within 30 seconds	98%	95%	96%	96%

Program Staffing

1 Full-time	Cust. Service Manager	1.00
8 Full-time	Cust. Service Rep.	8.00
1 Full-time	Lead Cust. Service Rep.	1.00
2 Full-time	License Insp	2.00
1 Full-time	Tech Spec.	1.00
Total Program FTE		13.00

Prior Year Highlights

Developed a Request for Proposal (RFP) for a new Sales Tax and Licensing system.

Anticipated a sales tax rate increase and developed a plan for implementation.

Implemented changes to the Massage, Secondhand, and Miscellaneous Ordinances; eliminating obsolete license categories.

REVENUE RECOVERY

Financial Services Department

Program Description

The Revenue Recovery program collects delinquent money owed to the City primarily related to utility bills, sales taxes, licensing fees, tax audit assessments, false alarm activation charges and parking tickets. Methods of delinquent collection include mailing notices and statements, telephone contact, water turn off, filing liens and lawsuits, and the use of outside collection agencies.

Trends

The local economy is showing signs of a slow recovery but personal bankruptcy filings continue at record numbers affecting the annual utility write off of uncollectable accounts.

Program Broad Goals

Use appropriate collection methods following State and Federal collection laws, to collect delinquent monies owed to the City.

Refer accounts to City Attorney's office for legal action when all other collection efforts have been exhausted.

Track and record accounts that are determined to be uncollectable.

Program 2004/05 Objectives

Implement a new collection system by December 2004. This project seeks to enhance the existing collections and activity tracking tools employed by the collectors of Revenue Recovery to provide enhanced integration with the regulatory, sales tax, and utility billing systems. The aim of this integration is the more efficient and effective collection of delinquent monies owned to the City.

Coordinate a collection plan with the City Attorney and Prosecutor offices and the Police Dept. to provide enforcement of collection and non-compliance of licensing ordinances by December 2004.

Program Provided in Partnership With

Utility Billing, Meter Reading, Tax & License, Tax Audit, Remittance Processing, Risk Management, Accounting, City Attorney, Prosecutor, Police, Airport, Permit Services, Building Inspections, Solid Waste

Program Customers

City Residents and Businesses

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Banner Licensing & Alarm Activation System, STARS-Sales Tax System, Utility Billing System, Collection activity tracking system, Parking Ticket Collection System

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$348,697	\$389,807	\$425,308	\$432,755
Enterprise Fund Program User Fees/Charges/Support	361,872	374,405	374,405	432,804
Total Program Revenues	\$710,569	\$764,212	\$799,713	\$865,559

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$652,843	\$697,646	\$746,545	\$799,984
Contractual Services	48,640	59,192	45,794	58,201
Commodities	9,086	7,374	7,374	7,374
Total Program Budget	\$710,569	\$764,212	\$799,713	\$865,559

REVENUE RECOVERY

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Average # of active delinquent accounts	11,779	13,018	14,059	15,184

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Dollars collected for every \$1.00 spent	\$13.02	\$13.77	\$14.20	\$14.50
Write-offs as a % of total revenue	0.1%	0.1%	0.2%	0.2%

Program Staffing

1 Full-time	Administrative Secretary	1.00
1 Full-time	Cust. Service Asst.	1.00
1 Full-time	Financial Service Tech Mgr.	1.00
4 Full-time	Revenue Collector	4.00
1 Full-time	Revenue Recovery Mgr.	1.00
1 Part-time	Secretary	0.50
1 Full-time	Sr. Revenue Collector	1.00
3 Full-time	System Integrator	3.00
Total Program FTE		12.50

Prior Year Highlights

Improved lien filing processes allow the collection staff to file blanket liens with the Secretary of State's Office on a delinquent taxpayer's personal property.

METER READING

Financial Services Department

Program Description

The Meter Reading program is responsible for accurately reading all water meters each month, daily connects/disconnects, delinquency turn-ons/off, high bill complaints and timely follow-up reads/re-reads of meters.

Trends

The Meter Reading division continues to experience a yearly increase in the number of new meter installations. Based upon planned construction and the actual number of new installations for the past two fiscal years, we anticipate reading an additional 1,400 to 1,500 new meters this year. In addition to the more than 81,000 water meters currently read each month, the division is also experiencing an increase in the number of associated special readings and work requests received. This includes work orders, rereads, high bill complaints, and disconnects and reconnects for non-payment and customer moves. This is approximately a 3.5% increase over the last fiscal year in this area.

Program Broad Goals

Ensure that 100% of the City water meters are read monthly and read accurately which will maximize revenue collection and comply with City ordinances.

Complete all internal and external service requests in a timely and efficient manner, which supports the goal of providing responsive customer service.

Provide leak detection assistance at customer request as a result of high bill complaints.

Program 2004/05 Objectives

Begin implementation of an automated work order system in conjunction with wireless access by December 2004, to reduce meter reader time and improve response time to customer service requests.

Program Provided in Partnership With

Fleet, Water Operations, Risk Management, Community Development, Utility Billing, Remittance Processing, Revenue Recovery

Program Customers

City residents and businesses

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Vehicles (right hand drive Jeeps & compact pickups), handheld meter reading system, hand held meter reading software, Utility Billing System, Land Information System (LIS), Community Development, Utility Cash Transmittal System, Delinquency Turn On Notification System (SOS), uniforms, various hand tools, and cell phones

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Enterprise Fund Program User Fees/Charges/Support	\$921,274	\$980,505	\$980,505	\$973,961
Total Program Revenues	\$921,274	\$980,505	\$980,505	\$973,961

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$696,338	\$753,234	\$753,234	\$756,596
Contractual Services	221,322	223,021	223,021	211,737
Commodities	3,614	4,250	4,250	5,628
Total Program Budget	\$921,274	\$980,505	\$980,505	\$973,961

METER READING

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of meters read annually	943,212	971,508	986,080	1,000,870
# of meters per meter reader read monthly	6,605	6,806	6,908	7,012

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of meters read accurately	99.91%	99.9%	99.9%	99.9%

Program Staffing

1 Full-time	Lead Water Meter Reader	1.00
1 Full-time	Meter Reader Mgr.	1.00
1 Full-time	Water Audit Tech	1.00
12 Full-time	Water Meter Reader	12.00
Total Program FTE		15.00

Prior Year Highlights

Began to evaluate the installation of Automatic Meter Reading (AMR) devices that will enable meter readers to read meters remotely via radio control.

Devised a new method of issuing fieldwork orders that has improved efficiencies and productivity.

Implemented a new, daily work shift that enables Meter Reading to provide a higher level of customer service.

UTILITY BILLING

Financial Services Department

Program Description

The Utility Billing program provides for the accurate and timely billing of the City's water, sewer, and solid waste services. Assists customers in applying for and discontinuing utility service. Educates customers regarding how to find the cause of any high water usage and responds to customer inquiries and disputes regarding their City utility accounts.

Trends

The City's utility customer base grew by only 1.7% due to reduced City development. We expect this low growth to continue throughout the upcoming year. Staff handled 7% more customers in-person and over-the-phone as our customers request additional options for handling their bills and are concerned about high water usage. We expect this increase to continue until the economy stabilizes and customers become more familiar with the new E-Services we offer.

Program Broad Goals

Bill and collect water, sewer, solid waste and associated fees and taxes in a timely and accurate manner.

Establish accounts for customers requesting service and discontinue service as requested in a timely and accurate manner.

Respond to customer inquiries about their bills in a timely and accurate manner.

Program 2004/05 Objectives

Complete procurement of a new utility billing system for implementation by December 2004.

Program Provided in Partnership With

Accounting, Citizen and Neighborhood Resources, Development Services/One Stop Shop, IS, Water Resources, Solid Waste Management, Parks, Water Operations, CAPA, Mail Room, Remittance Processing, Human Services Municipal Services, Tax Audit, Revenue Recovery, Meter Reading, City Attorney

Program Customers

City Residents and Businesses

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Infomage, AccuMail, InfoConnect, Itron Interface, MetroScan, Delinquency Turn On Notification System (SOS), Land Information System (LIS), Work Tracking System (WTS), IVR Daily Snapshot, Interactive Voice Response, Automatic Call Distribution, CIS Billing System, Unisys 2200, Desktop faxing, head sets, Computer Output to Laser Disc (COLD), Online Service Requests

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Enterprise Fund Program User Fees/Charges/Support	\$822,510	\$903,921	\$912,501	\$883,894
Total Program Revenues	\$822,510	\$903,921	\$912,501	\$883,894

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$462,740	\$516,324	\$516,324	\$525,275
Contractual Services	356,090	380,697	389,277	352,244
Commodities	3,680	6,900	6,900	6,375
Total Program Budget	\$822,510	\$903,921	\$912,501	\$883,894

UTILITY BILLING

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of utility statements issued	969,549	986,504	994,000	1,004,000
# of customer contacts	115,775	123,745	130,000	137,000

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of utility bills accurately mailed	99.8%	99.8%	99.5%	99.5%

Program Staffing

1 Full-time	Cust. Service Manager	1.00
7 Full-time	Cust. Service Rep.	7.00
1 Full-time	Cust. Service Tech	1.00
1 Full-time	Lead Cust. Service Rep.	1.00
Total Program FTE		10.00

Prior Year Highlights

Provided customers with the ability to request service turn-ons and discontinuations from the internet.

Developed contractor brochure containing information about services.

Developed a realtor brochure containing helpful information about utility service.

Selected new Utility Billing System vendor.

REMITTANCE PROCESSING

Financial Services Department

Program Description

The Remittance Processing program processes and deposits all payments for utilities, licenses and permits, sales tax and alarm activations and accompanying documentation; manages the retention, retrieval and destruction of division documents through imaging, microfiche, filing, and on and off-site storage.

Trends

New Internet payment options were developed and offered to our customers for electronic payment of their utility bill as the Remittance Processing division continues their efforts to ensure that payments are timely processed and deposited.

Program Broad Goals

Process and deposit payments within two days of receipt.

Image division documents to allow for quick and easy retrieval of records and provide requested records to customers and Customer Service staff.

Program 2004/05 Objectives

Explore opportunities for and implement alternative payment methods for on-line utility bill paying using a method similar to Surepay/Automated Clearing House (payment from customer checking account).

Implement Point of Sale check imaging (POS) to improve response to research requests by June 2005.

Implement check truncation to eliminate processing of paper checks at walk in locations by December 2005.

Program Provided in Partnership With

Tax & License, Utility Billing, City Mail Room, Meter Reading, Revenue Recovery, Tax Audit, Accounting, Police

Program Customers

City Residents and Businesses

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Transport and related software, mail openers, Imaging System, Utility Billing System, Delinquency Turn On Notification System, Work Tracking System and a variety of payment processing software applications

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Enterprise Fund Program User Fees/Charges/Support	\$569,074	\$529,249	\$529,249	\$471,474
General Fund Support	382,879	528,688	448,467	471,474
Total Program Revenues	\$951,953	\$1,057,937	\$977,716	\$942,948

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$692,324	\$715,456	\$693,400	\$644,683
Contractual Services	249,930	331,023	272,858	284,759
Commodities	9,699	11,458	11,458	13,506
Total Program Budget	\$951,953	\$1,057,937	\$977,716	\$942,948

REMITTANCE PROCESSING

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
# of payments processed	1,082,181	1,526,388	1,755,346	1,930,880

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of payments processed within 2 days of receipt	n/a	100%	100%	100%

Program Staffing

1 Full-time	Cust. Service / Tax Audit Dir.	1.00
1 Full-time	Cust. Service Proj. Coord.	1.00
8 Full-time	Cust. Service Rep.	8.00
1 Full-time	Lead Cust. Service Rep.	1.00
1 Full-time	Remit Process Records Mgr.	1.00
Total Program FTE		12.00

Prior Year Highlights

Provided customers with the ability to make online payments for fee's and licenses.

Integrated 3rd party payment vendors for electronic transfer of customer payments.

Implemented individual workstation credit card payment acceptance.

TAX AUDIT

Financial Services Department

Program Description

The Tax Audit program promotes accurate and timely payment of privilege, use, and bed tax self-assessments by taxpayers through education programs; provides guidance in tax code interpretations; evaluates local economic strength through analysis of privilege, use, bed, and property tax collections; and develops innovative solutions that will ensure the City's financial stability.

Trends

Construction activities continue to decrease as build-out continues and land preservation goals and associated privilege tax revenues continue to decline. Future economic uncertainty continues to exist, which includes the downturn in the tourism industry, which also directly impacts privilege, use, and bed tax revenues.

Program Broad Goals

Audit taxpayer records to ensure tax code requirements are upheld.

Provide privilege, use, and property tax data to internal and external customers.

Provide taxpayer education regarding taxpayer rights and responsibilities.

Program 2004/05 Objectives

Audit and perform compliance reviews of 1.8% of Scottsdale businesses.

Obtain 90% audit satisfaction rate on taxpayer surveys.

Ensure 90-100% of new construction is timely placed on property tax roll.

Program Provided in Partnership With

Economic Vitality, Accounting, Budget, IS, Planning and Development Services, Tax and License, Revenue Recovery, Remittance Processing, City Attorney

Program Customers

City Residents & Businesses, Economic Vitality, Budget, City Manager, County Assessor

City Council's Broad Goal(s)

Fiscal and Resource Management

Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

Special Equipment

Software used for research, STARS - Sales Tax System

Resources by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
General Fund Support	\$501,855	\$571,388	\$571,038	\$576,820
Total Program Revenues	\$501,855	\$571,388	\$571,038	\$576,820

Expenditures by Type

	Actual 2002/03	Adopted 2003/04	Estimate 2003/04	Adopted 2004/05
Personal Services	\$464,767	\$533,131	\$533,131	\$536,642
Contractual Services	35,186	35,647	35,297	37,448
Commodities	1,902	2,610	2,610	2,730
Total Program Budget	\$501,855	\$571,388	\$571,038	\$576,820

TAX AUDIT

Financial Services Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
% of total Scottsdale businesses audited or reviewed for compliance annually	2.1%	1.9%	2.1%	2.2%
% of new construction placed on the property tax roll for the proper tax year	n/a	95%	95%	95%

Program/Service Outcomes: (based on program objectives)

	Actual FY 2001/02	Actual FY 2002/03	Projected FY 2003/04	Projected FY 2004/05
Audit assessment ratio — total dollars assessed for every \$1.00 in cost	\$2.43	\$3.28	\$3.00	\$2.75

Program Staffing

1 Full-time	Property Tax Auditor	1.00
6 Full-time	Sr. Tax Auditor	6.00
1 Full-time	Tax Audit Manager	1.00
Total Program FTE		8.00

Prior Year Highlights

Audited and conducted compliance reviews of 1.8% of Scottsdale businesses.

Maintained a \$4.17 assessment ratio for every \$1.00 in program costs through 3/31/04.

Maintained an average 93% satisfaction rate on Taxpayer Surveys.

